



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT APPROVES FLEET/SHAWMUT BANK MERGER
AFTER PARTIES AGREE TO \$3.7 BILLION DIVESTITURE**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division advised the Federal Reserve Board today that it has approved a \$3.7 billion merger involving Fleet Financial Group and Shawmut National Corp. provided that Fleet sells 64 bank branches--the second largest divestiture in the history of the banking industry. The restructured deal will ensure that competition in the New England banking industry, particularly in services to small and medium-sized businesses, will remain competitive.

The Department's approval of the deal, which was announced by the parties in February of this year, was stated in a letter to the Federal Reserve Board.

Fleet agreed to sell 64 bank branches, with about \$3 billion in deposits and over \$300 million in commercial loans in Massachusetts, Connecticut, New Hampshire, and Rhode Island. Twenty eight of the branches to be divested, with over \$1.6 billion in deposits, are located in the Hartford, Connecticut area.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This acquisition could have reduced competition and caused small businesses to pay more for banking services in a number of markets throughout New England. Thanks to our close coordination with the state attorneys general

in Massachusetts and Connecticut, we were able to work together to resolve the competitive problems and protect small businesses while still allowing the rest of this deal to go forward. We will continue to enforce the antitrust laws vigorously in the rapidly consolidating banking industry."

The Department investigated the Fleet/Shawmut merger to determine whether it would lessen competition in banking services in New England. It advised the Federal Reserve today that it would not challenge the merger subject to the agreed-upon divestiture. The investigation was conducted along with the state attorneys general offices in Massachusetts and Connecticut.

The branches that will be divested include 28 branches in the Hartford, Danielson and Old Saybrook areas of Connecticut; 18 branches in the Amherst-Northampton, Fitchburg-Leominster, Greenfield, New Bedford, Taunton, Southbridge and Worcester areas of Massachusetts; 13 branches in the Providence, Rhode Island area; and 5 branches in the Littleton, Manchester and Nashua areas of New Hampshire.

Fleet Financial Group is based in Providence, Rhode Island, and has 850 branches spread throughout Maine, Rhode Island, New Hampshire, New York, Connecticut and Massachusetts. It has over \$34 billion in deposits and \$49 billion in total assets.

Shawmut National Corporation is based in Hartford, Connecticut, and has 350 branches located in Rhode Island, New Hampshire, Connecticut, Massachusetts and Florida. It has \$20 billion in deposits and \$32 billion in total assets.

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